

MEETING OF

THE DELAWARE AGRICULTURAL LANDS PRESERVATION FOUNDATION

A meeting of the Delaware Agricultural Lands Preservation Foundation was held at the Delaware Department of Agriculture, 2320 S. DuPont Hwy. Dover, Delaware, October 12, 2005, with the following members in attendance:

Robert F. Garey, Chairman	Ann Visalli, Deputy State Treasurer (representing Jack Markell, State Treasurer)
William Vanderwende, Vice Chairman	
Lyn Davenport, Secretary	Kevin Coyle (representing John Hughes, Secretary of DNREC)
W. Allen Jones	Harry D. Shockley (representing Michael T. Scuse, Secretary of Agriculture)

Absent: Alden Hopkins, Dennis Clay, and Theodore Bobola, Jr.

The following staff members were in attendance: Michael McGrath, Milton Melendez, Howard Mesick, Cathy Mesick, and Robin West.

Others in attendance: F. Michael Parkowski, Mr. Philip Tuthill, Mr. Tush, Ms. Ann Tush, Ms. April Tush, Mr. Bob Rauch, Ms. Bonnie Walls, Ms. Annie Williams, Mr. John Murray, Mr. Thomas Cooper, Mr. Norman Tush, II.

Chairman Garey opened the meeting at 8:30 a.m. with prayer.

I. Progress Report:

Milton Melendez informed the Board that we have 608 farms, with 140,577 acres in preservation easements, 442 farms with 79,959 acres, total cost of \$103,623,460.00 in agricultural easements, and 80 farms with 12,277 acres totaling \$153,980, 434.00 in applications for Purchase of Development Rights 11.

II. Expansion Eligibility/Approval

1. The Norman Tush Expansion of the Fox-Brickstore Landing District, ID#N-05-08-078A. After discussion, **Lyn Davenport moved to accept for eligibility/final approval the Norman Tush Expansion of the Fox-Brickstore District, seconded by William Vanderwende. Motion unanimously approved.**

2. The Bushey Expansion of the Hanson Agricultural District, ID#K-05-07-044L. After discussion, **William Vanderwende moved to accept for eligibility/final approval the Bushey Expansion of the Hanson Agricultural District, seconded by Kevin Coyle. Motion unanimously approved.**

3. The TLT Expansion of the Rust District, ID#S-05-06-034K. After discussion, **Kevin Coyle moved to accept for eligibility/final approval the TLT Expansion of the Rust District, seconded by Lyn Davenport. Motion unanimously approved.**

4. The TLT II Expansion of the Rust District, ID#S-05-06-034J. After discussion, **William Vanderwende moved to accept for eligibility/final approval the TLT II Expansion of the Rust District, seconded by Kevin Coyle. Motion unanimously approved.**

5. The Woodhead Expansion of the Old Morgan School District, ID#S-05-06-016J. After discussion, **Lyn Davenport moved to accept for eligibility/final approval the Woodhead Expansion of the Old Morgan School District, seconded by Allen Jones. Motion unanimously approved.**

III. Public Comments – Mr. Tuthill told the Board that Kent County approved their first TDR. Mr. Tuthill feels that farmers think they can get more money from the TDR program than from the farmland preservation program. Mr. Tuthill has been trying to get Kent County to increase their contribution toward the State's farmland preservation program to \$500,000.00.

- IV. Minutes – Chairman Garey asked if there were additions or corrections to the September 14, 2005 minutes. Receiving no additions or corrections to the minutes, **Kevin Coyle moved the minutes be approved, seconded by Allen Jones. Motion unanimously approved.**

V. Financial Highlights

Cathy Mesick informed the Foundation Board that we had, as of September 30, 2005, \$12,967.21 in the Foundation's checking account. The Foundation's interest bearing State of Delaware account had a balance of \$118,378.21. Revenue for the month of September totaled \$1,395.23 which came from New Castle and Sussex County rollback taxes. Expenditures for the month of September totaled \$13,409.23. After discussion, **Lyn Davenport moved to accept the Financial Report as presented, seconded by Kevin Coyle. Motion unanimously approved.**

Mr. Michael McGrath presented the Foundation budget. First, the focus was on the invoice for the audit of Federal funds. It was explained that we will never know when this invoice will be presented because it is never known in advance when the audit will be done. We will, in the future, budget a certain amount each year for this audit, but will not expend the funds until the audit is actually done. So we will have a fund built up over the years for this audit when it does occur. The focus then shifted to the research contacts. The first discussed was the IPA contract research. This will be for the Installment Payment Approach (IPA) which will pay for our easements over time. The Foundation funds will purchase bonds that will mature in 20 years. This will give the landowner tax free income. It will involve 20 payments from us over 20 years on each IPA. The capital gains tax is deferred for the landowner until the 20 years is up, it will be due on the due date of the bond. What would normally happen is the landowner's heirs will pay the tax. IPAs are saleable. We will research to explore this method of payment and to see if the laws in Delaware would need changing to allow this in our State. The 2nd item under research is the AFT (American Farmland Trust) research which will show how farmland preservation helps the State of Delaware in cost savings. It will show both the State and the Counties how well it benefits them and benefits of continued and increased support of farmland preservation. The State of Delaware will also help to pay for this research project. Discussion centered upon the above items. After discussion, **Lyn Davenport moved to accept the Foundation Budget as presented, seconded by Kevin Coyle. Motion unanimously approved.**

- VI. Executive Session – After consulting with Michael Parkowski it was decided no Executive Session was necessary.

Michael Parkowski requested a few minutes of the Board's time to discuss the forestland preservation program. Mr. Parkowski wanted to know from Michael McGrath if the \$3M from New Castle County could possibly cover some of the costs of the forestland preservation program. Michael McGrath said that he had not discussed this with the County because there were no funds from the State at this time for forestland preservation. However, it was a good idea and that if such State funds became available he would discuss it with New Castle County. Mr. McGrath is certain that the MOU with New Castle County could be amended if the County was agreeable to using part of their funds for forestland preservation.

VII. 1. Clear Brook Farm District, ID#S-96-03-076

Mr. John Murray, of Miles and Stockbridge, presented the request of the Town of Bridgeville for a second easement on the lands of the Clear Brook Farm District. Discussion followed and the Board was interested in learning why another easement was necessary as there was already one easement on this property. Ms. Williams, the Sanitary Engineer for the Town of Bridgeville, stated that the placement of the water tower would be more advantageous to the Town of Bridgeville. Mr. McGrath asked if this tower could be placed elsewhere rather than requiring another easement on the property. Mr. Murray stated that it is true that it could be placed elsewhere; however, the practical impact to the farmland is nil. Mr. McGrath asked that we know the construction time table, the impact inside/outside the easement line and the restoration of the site. He requested that Bridgeville provide a plan on the issues of failure of the tank, and the shadow some of the tank. Ms. Walls, town manger of Bridgeville,

stated that the town does respectfully request that this easement is approved it is an optimum site for the town. After further discussion the Board consensus was that a decision could not be made as yet until further information was obtained. Chairman Garey asked the Foundation staff and counsel, as well as the Town of Bridgeville to provide additional information. Chairman Garey stated the request was tabled until the next meeting.

VIII. Adjournment

As there was no further business to come before the Foundation, the meeting adjourned at 10:05 a.m. The next meeting of the Foundation will be held on November 9, 2005 at the Delaware Department of Agriculture, beginning at 8:30 a.m.

Respectfully submitted,

Lyn Davenport
Secretary